

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

_____)	
SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	CIVIL ACTION
)	NO. 05-10074-MEL
PATRICIA B. ROCKLAGE, WILLIAM M.)	
BEAVER AND DAVID G. JONES,)	
)	
Defendants.)	
_____)	

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S MOTION TO
DISBURSE FUNDS TO PAY TAX OBLIGATIONS**

Plaintiff Securities and Exchange Commission's ("Commission") respectfully requests that the Court enter an Order directing the Clerk of the Court to disburse funds on deposit with the registry of the Court to pay certain tax obligations of the Distribution Fund in this matter.

On August 29, 2007, the Court entered Final Judgment as to Defendant Patricia B. Rocklage ("Rocklage") pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Rocklage paid a total amount of \$350,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

On August 30, 2007, the Court entered Final Judgment as to Defendant William M. Beaver ("Beaver") pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Beaver paid a total amount of \$250,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

On August 30, 2007, the Court entered Final Judgment as to Defendant David G. Jones (“Jones”) pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Jones paid a total amount of \$183,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

The payments referred to above comprise the “Distribution Fund” in this matter. The Distribution Fund has been deposited in an interest-bearing account, account number 1:05-cv-10074, under the case name designation “SEC v. Patricia B. Rockalge et al.” The Distribution Fund constitutes a Qualified Settlement Fund (“QSF”) under section 468B(g) of the Internal Revenue Code (“IRC”), 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5.

By an Order dated November 7, 2007, the Court appointed Damasco & Associates as Tax Administrator to fulfill the tax obligations of the Distribution Fund. Pursuant to that Order, the Tax Administrator is required to pay taxes in a manner consistent with treatment of the Distribution Fund as a QSF, and is to be compensated for the tax services provided.

The Tax administrator has determined that the Distribution Fund owes \$2,200 in tax liability for the tax year 2007. The tax payment is due March 17, 2008. See Declaration of Jude P. Damasco in Support of Request to Make Tax Payment dated February 18, 2008, submitted herewith. The Declaration has been reviewed by the undersigned Commission counsel.

Wherefore, for the foregoing reasons, the Commission respectfully requests that this Court enter the attached proposed Order and grant such other relief as it deems just and proper.

Respectfully submitted,

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION**

By its attorneys,

/s/ Daniel P. Barry
Luke T. Cadigan (Mass. Bar No. 561117)
Senior Trial Counsel
Daniel P. Barry (Mass. Bar No. 564037)
Senior Counsel
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Dated: February 26, 2008

CERTIFICATE OF SERVICE

I hereby certify that as of on February 26, 2008, this action has been resolved as to all other parties and thus no service has been made on them. The foregoing document relates to the payment of taxes and/or fees connected to the funds received by the Clerk of the Court as a result of judgments in this matter.

/s/ Daniel P. Barry
Daniel P. Barry
Senior Counsel
Securities and Exchange Commission
(617) 573-8908

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[PROPOSED] ORDER TO DISBURSE FUNDS TO PAY TAX OBLIGATION

Having reviewed Plaintiff Securities and Exchange Commission's ("Commission") Motion to Disburse Funds to Pay Tax Obligations and the supporting Declaration of Jude P. Damasco ("Declaration"), and finding that there is good cause for the motion,

IT IS HEREBY ORDERED that:

1. The Clerk of the Court shall issue a check on Court Registry Account Number 05CV10074, under the case name designation "SEC v. Patricia B. Rocklage et al., Civil Action No. 05-CV-10074," in the amount of \$2,200, payable to "Damasco & Associates, Trust Account," for the payment of tax obligations, as provided in the Declaration. The check shall contain the notation "SEC v. Patricia B. Rocklage et al. Distribution Fund, Civil Action No. 05CV10074, Federal Tax Identification Number 26-1409969, Tax Liability for 2007."
2. The Clerk shall send the check by first class mail to:

Damasco & Associates, LLP
700 Monte Vista Lane
Half Moon Bay, CA 94019
Phone: (650) 726-4100

Dated: _____

UNITED STATES DISTRICT JUDGE